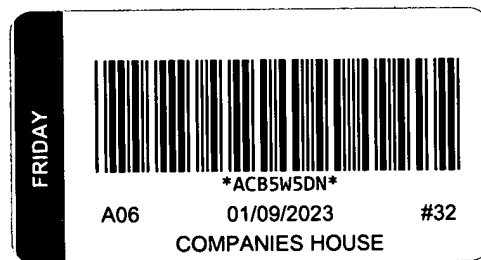


Registered number: 00654913 (England and Wales)
Charity number: 311098 (England and Wales)
SC040008 (Scotland)

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 – 15
Independent Auditors' Report	16 -19
Statement of Financial Activities	20
Balance Sheet	21 – 22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 45

**GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2022**

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

James Lambu	(Chair)
Ray Walker	(Vice-Chair)
Gordon Brown	
Linda Halford	
Simon Williams	
Maureen Watson	
Hilary Buck	
James McIvor	
David Silcox	Retired 20 August 2022

National Ministry Leader

Gavin Henderson

Registered Charity Name

Grace Communion International

Names Also Known By

Worldwide Church of God
Summer Educational Programme (Summer camp only)

Registered Office and Operational Address

9 The Point
Rockingham Road
Market Harborough
Leicestershire
LE16 7QU

Company Registered Number

00654913 (England & Wales)

Charity Registered Number

311098 (England & Wales)
SC040008 (Scotland)

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Independent Auditor and Statutory Auditors

MHA Chartered Accountants
11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

Bankers

Barclays Bank Plc
20 High St
Market Harborough
LE16 7NR

Solicitors

Edward Connor Solicitors
10 The Point
Market Harborough
Leicestershire
LE16 7QU

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees (who are also the directors of the Charity for the purposes of the Companies Act) present their Annual Report, together with the audited financial statements of Grace Communion International ("GCI UK", "we", the Charitable Company, the Church, the Charity) for the year ended 31 December 2022. The Trustees confirm that the Annual Report and financial statements of the Charitable Company comply with current statutory requirements, the requirements of the Charitable Company's governing document, the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" and Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)), and the Companies Act 2006.

The Charity qualifies as small under S383 of the Companies Act 2006. A Strategic Report under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Vision and Mission Statement

The mission of the Charity is to proclaim the good news of Jesus Christ whenever and wherever it can. We take care of those whom God calls into our part of the body of his Church by inspiring and training them to serve and love others, reflecting the way in which Jesus Christ loves humanity. Thus, we seek to create a positive and accountable spiritual environment in which the Church lives and shares the Gospel of Jesus Christ in the UK, in the Republic of Ireland, and beyond.

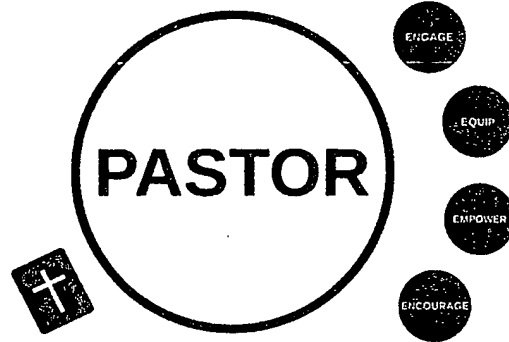
To help us achieve this vision of 'Healthy Church' and to fulfil our mission statement of 'Living and Sharing the Gospel', the Church has the following four avenues of focus:

Team-based, Pastor Led Avenue

"I always pray with joy because of your partnership in the gospel from the first day until now" (Philippians 1:4-5 NIVUK)

"Then Peter stood up with the Eleven, raised his voice and addressed the crowd" (Acts 2:14 NIVUK)

GCI UK believes that it is essential that Church leadership is team-based. To achieve this, leaders in GCI UK (both on a national and local level) are encouraged to practise the 4 E's: Engage, Equip, Empower and Encourage.



This means that our leaders seek to engage with the membership of the Church as they look to recognise and recruit new volunteers and potential leaders. These volunteers are then equipped by the leadership by investing time and/or resources in them, so that they can develop in their role and in turn multiply their skills within the congregation. Where leadership qualities are identified, potential leaders can then be empowered by creating space for them to actively serve in leadership and commissioning them for the role. Finally, these volunteers are encouraged by the leadership on an ongoing basis, thus affirming their suitability for the role and recognising their contribution to the Church.

**GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)**

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Hope Avenue

"When they saw him, they worshipped him"
(Matthew 28:17 NIVUK)

"Every day they continued to meet together in the temple courts... praising God and enjoying the favour of all the people." (Acts 2:46-47 NIVUK)

Worship services are a key part of GCI UK's activities, and our aim is that all our worship services are centred on Jesus Christ and that they are inspiring, bringing hope to all those who attend. This involves intentional preparation for our weekly services and a focus on being an inclusive gathering that welcomes people of all ages, ethnicities, and backgrounds.

Worship



Faith Avenue

"And teaching them to obey everything I have commanded you." (Matthew 28:20 NIVUK)

"They devoted themselves to the apostles' teaching and to fellowship, to the breaking of bread and to prayer... They broke bread in their homes and ate together with glad and sincere hearts" (Acts 2:42, 46 NIVUK)

Discipleship is a key part of GCI UK's activities. The Church is committed to providing opportunities for people to strengthen their faith and to follow in the footsteps of Jesus Christ. This is done through Church events (both on a national and congregational level) that provide a chance for people to deepen their relationship with God and with one another, as well as by providing midweek events such as Bible studies and prayer meetings.

Discipleship



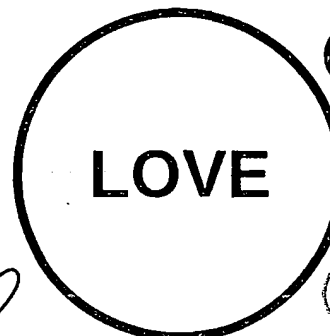
Love Avenue

"Therefore go and make disciples of all nations, baptising them in the name of the Father and of the Son and of the Holy Spirit" (Matthew 28:19 NIVUK)

"And the Lord added to their number daily those who were being saved." (Acts 2:47 NIVUK)

GCI UK believes that a "healthy Church" is one that is showing the love of Jesus Christ to the world. This means that one of the key objectives of the Church is engaging both the general public and the local community near where congregations meet, and proclaiming to them the Gospel of Jesus Christ through both our words and our actions.

Witness



GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Main Activities

As a Church our primary activity is to hold regular (weekly) Church services. These services are open to everyone, including the public, who are welcome to join in and participate with us in worship and to hear a message proclaiming Jesus Christ and his Kingdom, though we reserve the right to refuse entry where and when necessary. We have 19 congregations or fellowship groups that meet weekly, and a further 6 that meet on a less frequent basis throughout the UK and Ireland. Our services in these congregations provide a safe environment for people to celebrate the Church's beliefs.

Experienced local pastoral workers provide support for people through biblical counselling, and, in the case of ordained ministry, through performing ministerial duties such as weddings, funerals, and offering general assistance where possible, or where needs have been expressed. Ministers and approved pastoral workers are often asked to give biblical counsel and comfort to the sick and terminally ill, and to bereaved relatives and friends. Often such services are provided to people with little or no prior connection to the Church, and are provided free of charge.

We communicate regularly to our members and Church contacts using various different types of communication media. A member letter was sent out by post every month in 2022. In addition, every other month an in-house produced magazine called *Belong* was sent out in addition to the member letter. The *Belong* magazine helps to encourage our existing members by developing their faith through topical articles, and providing updates about our current projects and activities. There is no charge for the magazine or the member letter that members receive, which has a circulation of just under 700 members. The magazine is also available on our website.

We also produced a daily Bible study series in 2022, called *Word of Life* which is published on our website wordoflife.gracecom.church. The studies are freely available, and we also offer an email subscription allowing members and contacts to receive the study each day in their inbox. The project has a significant proportion of international readers.

Several of our congregations now also offer online access to Church services using both Zoom and Facebook Live. Additionally, we offer weekly sermons nationally via our YouTube channel: <https://www.youtube.com/c/GCIUKandIreland>, as well as offering live-streamed Bible studies every fortnight. All our online activities, both at a national and congregational level, can also be accessed via our website www.gracecom.church.

The Church also puts on conferences, holds celebration events and organises summer camps for children and teenagers. In 2022, celebration events were held in Larbert, Galway, Hemel Hempstead, Bridlington and Paignton, and a conference was held in Northampton. In addition, a twelve-day summer camp for teenagers, called SEP, was held in Morfa Bay and a three-day activity camp for younger children, called Adventure Camp, was held in Kettering.

GCI UK is a member organisation of the Evangelical Alliance and many of its congregations are members of the Churches Together network in their respective areas. GCI UK is keen on working with other Churches and organisations to further its mission of Living and Sharing the Gospel.

Volunteers

We are greatly indebted to all our volunteers for their dedication, time, and skills: in particular, to the over 100 voluntary pastoral workers, without whom the Church and Charity would not be able to provide its services.

**GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)**

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

We are also very grateful for those who helped write, promote, and produce our magazine *Belong*, and also for those involved in our daily Bible study series *Word of Life*.

Finally, we are very appreciative of those who work with our Youth, particularly since this year was the first time since 2019 that we were able to hold SEP.

Public Benefit

GCI UK, as outlined above, carries out numerous activities to achieve its aims and objectives. The Trustees consider that these activities provide a public benefit both in terms of the redemptive work of the Church, as well as the social outreach the Church engages in on regional, national, and international levels. They have considered the guidance issued by both the Charity Commission and the Office of the Scottish Charity Regulator on Public Benefit in this regard. In particular the Trustees would like to emphasise the Church's desire to be inclusive, where we strive to make the services and events that we run open to all, and endeavour not to present a financial barrier to attendance and participation. Our online services have been particularly helpful in helping our services be more inclusive of those who are unable to attend due to health, not being near one of our congregations, or other reasons.

Some notable examples of how the Church has organised activities in the public benefit include the Sosban Soup Kitchen in Llanelli, which provides food (and other essentials) every Sunday as part of the congregations weekly service, and to make it a Christmas Day lunch that was held in Market Harborough, for those in the community who did not have plans on Christmas Day. In addition to these, many of our congregations collect food donations to give to local foodbanks, and organised celebrations throughout the year that were open to the public (e.g. special events for the Queen's Platinum Jubilee).

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance Summary

The global Coronavirus pandemic was still having a significant impact on our Church in 2022, particularly at the start of the year. We are pleased that during the course of the year a number of our congregations were able to hold their first in-person services since March 2020. The Church has continued to provide national services via YouTube and Zoom. For those without internet access, a number of our congregations arranged to send out CDs of sermons.

Fortnightly Bible studies took place via YouTube, which included a Bible study series called "We Believe" that covers the core beliefs of the Christian faith. This is a two part series and a free workbook for part 1 had been distributed to our members and contacts in 2021, so they could follow along and make their own notes. In October 2022, we sent out the follow up workbook for part 2 for the "We Believe" series to our members and contacts.

The Church also sponsored several of our volunteers and employees in the area of theological education with Grace Communion Seminary, our accredited denominational seminary in the USA (www.gcs.edu), and Ambassador College of Christian Ministry, our denominational seminary in Australia (www.ambascol.org).

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

In 2022, we were able to hold our summer camp for teenagers, called SEP, for the first time since 2019 (it was cancelled in 2020 and 2021 due to the Coronavirus pandemic). The camp was held in Morfa Bay in Wales and ran for twelve days. We were pleased to be able to welcome 57 campers, 10 mini-campers and 24 staff. The camp featured a number of activities including daily worship, Christian living, leatherworking, a ceilidh, paddle-boarding, a mud assault course, caving and coastering.

We were also pleased to be able to go ahead with our summer camp for children aged 7-13, called Adventure Camp. Adventure camp welcomed over 35 campers, 10 mini-campers and 30 staff in 2022 to the Sir John Lowther Scouting centre in Kettering for the August Bank holiday weekend. The camp ran a number of activities such as daily worship, go-karting, tunnelling, archery, firecraft and tie-dying.

Celebration events were held in Larbert (5-7 May 2022), Galway (29 June - 3 July 2022), Bridlington (9-12 September 2022) and Paignton (1-9 October 2022) and the themes for these celebrations were based on the denomination's theme of "Compelled by Love". In Paignton, our members and contacts were able to visit and support a local foodbank, and a homeless Charity.

Additionally, two new celebration events were held in 2022. A new Southern Retreat was held in Felden Lodge in Hemel Hempstead over the Easter Weekend (14-16 April 2022). This retreat was an opportunity to slow down and take some time to engage in prayer, personal reflection and devotion with like-minded Christians. Our mini-celebration in Tullamore, 24-25 September 2022 provided another opportunity for our scattered members and contacts to meet up in the Republic of Ireland.

These events featured both traditional worship services as well as seminars and fellowship events. The combined attendance over these events was over 150 members.

In 2022, we were able to hold our first in-person denominational conference since 2019. The conference was held in Northampton on the 18-19 of June. The agenda for the conference was "Healthy Church" and explored how we can ensure the practice of our congregations matches our theology. The conference featured Dr Greg Williams, the GCI HQ denominational President as the guest speaker and attendees got a free copy of the book "Before You Share Your Faith: five ways to be evangelism ready" by Matt Smethurst.

The Church also continued to run its Life Club project, which teaches public speaking skills to all age groups. Geoff Sole, who runs the project, continues to advise GCI congregations around the world with respect to running Life Clubs, and has facilitated getting the Life Club manual translated into a number of languages. In 2022 regular International Life Clubs took place on Zoom, and featured speakers from Africa, Europe and North America.

Sadly in 2022, the decision was made to close or combine a number of our smaller fellowship groups following the Coronavirus pandemic. This was primarily a result of the diminished size of the congregations. Where we have had to close a congregation, we have encouraged our members and contacts there to access our online resources, and stay on our mailing lists. It is our sincere hope that at some point in the future we will be able to re-open congregations in these areas.

Administration and Management

In 2022, the employment of Rachel Montgomery, who had been employed as Communication Coordinator for the Church came to an end. We would like to thank Rachel Montgomery for the work she did for the Church in the time since her employment started in October 2020.

**GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)**

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

During the year, the Management and Board of Trustees dealt with a significant number of complaints that were raised by two members of the Church. While the grievance was not upheld, the management and the Board of Trustees began a review in the second half of the year on how the process was handled, and what lessons could be learned for the future. As part of this process, the Board of Trustees is in the process of actively reviewing all of its policies.

The Regional Pastor's position for Wales, Central and Northern England, currently occupied by Anthony Dady, was renewed for an additional year in August 2022 before being made permanent in January 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Name

The registered name of the Charity was changed from Worldwide Church of God to Grace Communion International on the 29 June 2022. Grace Communion International had previously been used as a trading name by the Charity since 2009 (when the name began to be used internationally by the denomination).

Constitution

Grace Communion International was incorporated as a Company limited by guarantee in 1960 and registered as a Charity in 1963. The Charity is governed by Articles of Association that were last updated on the 20 August 2022. This was an update made to reflect the new name of the Charity following the name being registered with both Companies House and the Charity Commission.

Method of Appointment or election of Trustees and Training Policies

As set out in the Articles of Association there are a minimum of five Trustees and a maximum of eleven. As of 31 December 2022 there were eight Trustees. Trustees are elected in accordance with the Articles of Association for a term of three years and may serve, if so elected, for three terms, before normally being required to step down for at least one year. Trustees are required to abide by the Code of Ethics for Elders, and the Grace Communion International Statement of Beliefs as published by Grace Communion International USA (GCI HQ) based in Charlotte, USA. The Board of Trustees considers Diversity, Equality and Inclusion when selecting Trustees, and aims to have a Board that not only has a good mix of skills and experience, but also reflects the diversity of our members and the people we are serving as a Charity in the United Kingdom and Ireland.

All new Trustees are given copies of the Memorandum and Articles of Association. Induction is provided in the form of copies of previous minutes and copies of the latest Governance & Leadership magazine, and Charity Commission News. Each new Trustee is also provided with a copy of the guidance advice for new Trustees issued by the Charity Commission, and Office of the Scottish Charity Regulator.

Trustees are also kept up to date with the availability of courses/seminars on Trustees' responsibilities (funded by the Charity). In 2022, three Trustees attended trustee training courses.

Trustee Benefits

GCI UK does not give remuneration to Trustees for their role as Trustee. It does, however, help cover the costs of their travel and the training required or recommended for their duties as Trustees.

**GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)**

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

As permitted by the Articles of Association, each Trustee has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006.

Trustee Changes in 2022

In August 2021, the Board of Trustees agreed to extend the term of David Silcox for an additional year to allow him to help finalise the overhaul to the Church's Articles of Association (in which he had been heavily involved). During this time David Silcox served as Chair of the Charity. James Lambu was appointed Chair when David Silcox stepped down as a Trustee in August 2022. The Board is greatly appreciative of David Silcox's contribution to the Charity over his time as a Trustee and in particular for his service as the Chair of the Board of Trustees.

Organisational Structure and Decision Making

GCI UK is governed by a Board of Trustees, which meets at least four times a year to:

- agree the policy of the Charity;
- determine strategic direction and objectives;
- ratify major decisions on and monitor the use of finances; and
- review management reports.

Board Committees

Sub-committees, if necessary, are appointed on an ad-hoc basis, and disbanded when they have completed the task for which they are formed. In 2022 there were three sub-committees: the National Ministry Leader's remuneration sub-committee, the National Ministry Leader's appraisal sub-committee, and an Appeal sub-committee setup to hear an appeal relating to a grievance.

Worldwide Church of God Charity

In 2022, GCI UK became the sole member of the registered Company and Charity Worldwide Church of God (Company number: 14038669, registered in England and Wales).

International Connections

GCI UK operates as an organisation associated with GCI HQ. Although capable of independent operation, GCI UK has willingly subordinated itself in doctrinal matters to the GCI HQ insofar as it does not bring our Church and Charity into conflict with UK laws.

Additionally, we have a working relationship with various Grace Communion International organisations overseas. In October 2022, after approval by the Board of Trustees, Gavin Henderson was commissioned as GCI HQ's Superintendent for Europe. This is a non-salaried position, though the Board of Trustees has agreed to help support some of the travel expenses associated with the role, and to donate some of Gavin Henderson's employed time as NML to the role. The Board has agreed to regularly review this arrangement to ensure it is in the best interest of the Charity.

As part of this role the NML travelled to Paris in October, where he gave presentations to the leadership of the GCI congregations in France.

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Operational management

The general management and strategic planning was delegated to the NML within the guidelines of the Board's Mission Statement, and within the vision of the denomination. The NML reported regularly to the Board and to GCI HQ, and was supported by his staff with whom he consulted regularly.

Management remuneration

The NML's salary was determined by the Board based on a recommendation of a sub-committee, consisting of Ray Walker, Simon Williams and Hilary Buck. The salaries of staff, set by the NML were seen and approved by the Board of Trustees at the November 2021 Board meeting, where the budget for 2022 was approved. GCI UK seeks to ensure that its staff are paid appropriately, but not excessively.

FINANCIAL REVIEW

GCI UK remains in good financial health with significant reserves. In 2022, the Church's budgeted income and expenditure was £525,000 and £650,000 respectively. Income for the year was significantly above budget in part due to a legacy that was received during the year. Expenditure was also above budget in 2022, though to a lesser extent, primarily due to the Church incurring increased legal costs.

Compared to 2021, the income of the Church was significantly lower. This was in part due to less investment income with the closure of the Church's Baring's Targeted Return Fund Investment in 2021, and a drop in donations received in 2022. The reason for this drop in income is the increasing age profile of the Church, which means that income from members who retire, or who sadly pass away is not being replaced by income from new members, as well as the cost-of-living crisis that has occurred in 2022. The Church has also changed the dates when key celebrations are held, which may also have had an impact on the Church's donations.

2022 saw a dramatic increase in expenditure compared to 2021, but this was not unexpected. The Church's expenditure in 2020 and 2021 was much lower than normal as a result of the coronavirus pandemic (as this meant that we were not paying hall hire, or travel costs during this period, which is a significant proportion of our expenditure). Expenditure was budgeted above expected income in 2022 as we are coming out of the Coronavirus pandemic. This was a key time for the Church, and so the Board of Trustees had agreed in 2022 to fund a temporary increase in expenditure from the Church's reserves.

Reserves Policy

The Board of Trustees has established that the level of reserves in cash or cash equivalent should be at least six months' operating expenses (for 2022 this was determined to be £290,000). Following Charity Commission guidance any pension scheme surplus is not reflected in the level of reserves, as they do not represent an immediately realisable asset.

At 31 December 2022 the total funds comprised:

Restricted	£13,539
Unrestricted: other	<u>£2,356,988</u>
Total	<u>£2,370,527</u>

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

The Charity's reserves held in 2022 were significantly above the six month's operating expenses. For a number of years the Charity has operated a policy of not budgeting for legacies (which, due to the size of our organisation are not easily predictable). Instead, the Board of Trustees has determined that funds above budget should be kept in reserve to help provide an additional revenue stream for the Charity in the future.

Investment Powers and Policy

GCI UK's constitution allows the Board of Trustees to invest money not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

The Board of Trustees, having regard to the liquidity requirements of operating GCI UK and the reserves policy set out above, kept funds in 2022 in Newton's 'Growth and Investment fund for Charities', as well as in Clerical Medical and Canada Life investment vehicles, which had been received as part of a legacy in a prior year.

In December 2022, the Charity began the process of changing the Church's investments and reserves into funds that have a greater alignment with the Church's ethical position. These funds are to be invested in a 2:1 ratio between providing capital growth and income. As a result, in December 2022, £450,000 was invested into Epworth's Global Equity fund, £200,000 was invested into Epworth's Corporate bond fund, and £450,000 was invested into CCLA's COIF Charities Ethical Investment fund. Further investments will be made in 2023 when the existing funds have been closed with Canada Life, Clerical Medical and Newton.

The Church's investments help ensure the long-term viability of the Church in the light of the current financial pressures facing the Charity, as well as providing options for strategic capital investments in the future (e.g. purchasing or building a new Church hall).

Fundraising

Most of the income for the Church comes from donations as opposed to fundraising. While the Church encourages members to support the Church financially, the Church stresses that members should only give as they are able. In 2022, a regular member letter was sent out in a mailshot. Each mailshot contained a donation envelope in case recipients wanted to help support the Church financially. In addition, offerings were taken up at our celebration events and in some of our congregations during the year.

The Church complies with the law as it applies to charities and fundraising, and in 2022 did not use third party or professional fundraisers, and received no complaints in relation to fundraising. Due to the very limited nature of the Church's active fundraising, the Church has not signed up to the code of fundraising practice — however, the Board keeps its position under review, and is keen that the Church follows best fundraising practices. No specific fundraising activities are currently planned for 2023.

Indigenous Income

The income of GCI UK is predominantly derived from donations from its congregational members in Great Britain and Eire with occasional contributions from non-members. As in previous years, full advantage has been taken of Gift Aid tax relief on eligible donations. Additionally, a small proportion of the Charity's income comes from income arising from investment returns.

**GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)**

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Pension Scheme

The Church operates a defined benefit pension scheme called the Pension and Life Assurance Plan of the Worldwide Church of God (Worldwide Church of God is the former name of Grace Communion International). The scheme has been closed to new members since 2004. The last active member of the scheme retired in 2015, leaving only deferred members as non-insured liabilities. The pension scheme has been in deficit since the 31 December 2018 valuation, and a recovery plan has been in place since 2020. The Church paid £49,800 in 2022 towards this recovery plan. The recovery plan was updated in March 2023 following the 31 December 2021 valuation. Under the updated plan the pension scheme will cover the costs to determine the impact of Guaranteed Minimum Pension equalisation on the scheme, and the Church will make one final deficit reduction contribution in 2023 of £188,500 to eliminate the deficit in the pension scheme.

Fiscal Responsibility

The Board of Trustees normally requires that the executive of GCI UK operate a balanced budget, based on the anticipated Income and Expenditure for the year. In 2021, the Board agreed that, given the Church's reserves, the Church could operate the next couple of years with expenditure in excess of income (within limits). This would allow the Church to invest in its future at a key moment for the Charity. For 2022, the Charity budgeted to spend £125,000 more than expected income, and the Board was pleased that the actual operating deficit for the year was less than this. The Church has agreed a similar budget, with expected expenditure in excess of expected income, in 2023.

The Board had determined that should income be in excess of expenditure (e.g. in the case of receipt of exceptional donations or legacies), these funds can be assigned to projects suggested by the NML to the Board of Trustees. Until then any funds in excess of budget should be invested to provide additional revenue for the Church in the future. Due to their uncertain nature, the Church does not budget for legacy income.

Risk management and internal controls

The Trustees ensure that major risks to which GCI UK is exposed are reviewed and assessed, and that systems are in place to mitigate those risks (e.g. Safeguarding policies and procedures). The Trustees have agreed a risk management policy for which they have overall responsibility. Operational responsibility was delegated by the Trustees to the National Ministry Leader and his staff. A risk register identifies risks, and assigns specific actions and responsibilities for mitigating the risks. The risk management process is on-going. The Trustees consider that a major risk is one that has a high likelihood of occurring and would, if it occurred, have a severe impact on operational performance. The National Ministry Leader reported regularly to the Board of Trustees on major risks and how they are being managed.

The Trustees expect all staff and volunteers when engaging in any activity on behalf of GCI UK to consider the risks posed, and to act in accordance with the risk management policy and procedure. All increases to on-going or new activities are risk assessed prior to being introduced or undertaken.

The Trustees want to be risk alert, but do not wish to be averse to taking reasonable risks as part of the Board's strategy to achieve the objectives of GCI UK. All key policies within the organisation are reviewed at regular intervals, and updated as appropriate to reflect legislative changes and the latest developments in this area. In particular, new Covid risk assessments were performed for all congregations that resumed physical services after returning from the hiatus caused by the pandemic.

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

The Board has identified four major risks to the Church. The first is the age of its membership. The increasing age of our volunteers means that some of our congregations are having to meet less frequently, and the increasing age of our members also has an impact on our finances as our regular donors retire etc. Another major risk to the Church is the Church's pension scheme; the full impact of Covid and the current cost of living crisis is not yet clear on the Pension scheme. The pension scheme was closed to new members in 2004, no longer has active members (only pensioners and deferred pensioners)— however, due to the size of the pension fund compared to our annual income, this remains a significant concern. The third risk facing the Charity involves the difficulty that has been experienced in returning to physical services after the prolonged absence caused by Covid. The leadership has encouraged the continuation of local Zoom meetings/services where possible and continued with weekly YouTube broadcasts that were started in the Pandemic to help combat this. Finally, the last risk facing the Church is the loss of members due to doctrinal divisions (and resultant changes to liturgical practice) that are a legacy of the Church's past teachings. The Church is committed to handling these divisions in a loving and caring way to try to mitigate this risk.

Third party indemnity insurance

The Church pays third party liability insurance in respect of the Trustees and Senior Management.

PLANS FOR THE FUTURE

At the beginning of 2023, we requested that all of our congregations move to Sunday as their main day of worship with a target date for this transition of the end of 2024. This change will affect the majority of our congregations, which still meet on Saturday for historical reasons. This will have a significant impact on the Church, and it will help bring our congregations into alignment with the denomination internationally.

This transition carries with it the risk of some members who disagree with this change leaving the Church, and therefore a potential drop in income. However, after much prayer, planning and discussion of the risk, the Management and the Board of Trustees feel that this decision is in the long term best interest of the Charity.

As in 2022, the Church is planning to hold celebrations in Larbert, Galway, Tullamore, Hemel Hempstead, Bridlington and Paignton. The decision has also been made to hold a longer denominational conference every two years instead of a shorter one every year. This means the next denominational conference will be in 2024.

Additionally, the Church is hoping to start a new Church plant in Market Harborough, and plans are underway to hold a series of events in 2023 to help create an awareness of our presence in the town, and enthusiasm for the Church plant.

The Church will once again in 2023 hold summer camps in Morfa Bay and Kettering, and we are currently investigating new possible locations for SEP for 2024, and the possibility of launching a new Adventure Camp in a different location.

From an administrative perspective, the Board of Trustees will continue with its review of the Church's policies, and as part of this the Management is planning to create a Volunteers' handbook in 2023, which gathers together in one place all the relevant policies for our volunteers. The Church already has a staff handbook for employees. Work has also been ongoing on a new Church website, which will also be launched in 2023.

**GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)**

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Additionally, the Church plans to continue to explore the four avenues of "healthy Church" as outlined in the objectives section of this report. With this in mind the Regional Pastors will continue to work with their developing leaders in their regions and provide relevant training and instruction to our leaders and volunteers.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Charity does not hold any such funds on behalf of any other organisations.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved confirm that:

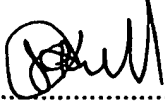
- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

Following a rebranding exercise on 15 May 2023 the trading name of the Charitable Company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

**GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)**

**TRUSTEES REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the Trustees and signed on their behalf by:



.....
James Lambu
Chair of the Board of Trustees

Date: 26 AUG-2023

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL

Opinion

We have audited the financial statements of Grace Communion International (the 'Charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the Trustees (who are also the Directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44 (1) (C) of the Charities and Trustees Investment (Scotland) Act 2005 and the Companies Act 2006, and report in accordance with regulations made within those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining and understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have a direct effect on the financial statements;
- Enquiring of management and Trustees around known or suspected instances of non-compliance of laws and regulations and fraud;
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indications of fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing Financial Statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performing audit work in relation to the risk of management override, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

GRACE COMMUNION INTERNATIONAL

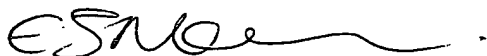
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRACE COMMUNION INTERNATIONAL
(CONTINUED)**

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charity's Trustees as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charitable Company's Trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Elizabeth Newell BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of
MHA (Statutory Auditors)
Leicester, United Kingdom

Date: 31/8/2023

MHA is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	As restated Total funds 2021 £
Income from:					
Donations and legacies	2	-	570,311	570,311	597,629
Investments	3	-	16,985	16,985	34,750
Other income	4	-	-	-	225
Total income		-	587,296	587,296	632,604
Expenditure on:					
Charitable activities - (including pension 2022 £181,755 and 2021 £111,446)	5	-	785,854	785,854	596,055
Governance costs	6	-	68,553	68,553	60,056
Total expenditure		-	854,407	854,407	656,111
Net (losses)/gains on investments	13	-	(47,814)	(47,814)	89,157
Net movement in funds before other recognised gains		-	(314,925)	(314,925)	65,650
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	21	-	116,000	116,000	100,000
Net movement in funds		-	(198,925)	(198,925)	165,650
Reconciliation of funds:					
Total funds brought forward		13,539	2,555,913	2,569,452	2,403,802
Net movement in funds		-	(198,925)	(198,925)	165,650
Total funds carried forward	17	13,539	2,356,988	2,370,527	2,569,452

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 45 form part of these financial statements.

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00654913 (England & Wales)

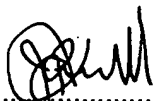
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Tangible assets	12	164,935	180,494
Investments	13	1,663,414	611,228
		1,828,349	791,722
Current assets			
Debtors	14	49,069	45,629
Cash at bank and in hand	20	588,182	1,822,778
		637,251	1,868,407
Creditors: amounts falling due within one year	15	(95,073)	(90,677)
Net current assets		542,178	1,777,730
Total net assets		2,370,527	2,569,452
Charity funds			
Restricted funds	17	13,539	13,539
Unrestricted funds	17	2,356,988	2,555,913
Total funds		2,370,527	2,569,452

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00654913 (England & Wales)

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
James Lambu
Chair of the Board of Trustees

Date: 26-AUG-2023

The notes on pages 24 to 45 form part of these financial statements.

GRACE COMMUNION INTERNATIONAL**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	19	(141,675)	159,066
Cash flows from investing activities			
Dividends, interests and rents from investments		9,985	30,750
Purchase of tangible fixed assets		(2,906)	(1,159)
Gains on investments		-	902,909
Purchase of investments		(1,100,000)	-
Net cash (used in)/provided by investing activities		(1,092,921)	932,500
Change in cash and cash equivalents in the year		(1,234,596)	1,091,566
Cash and cash equivalents at the beginning of the year		1,822,778	731,212
Cash and cash equivalents at the end of the year	20	588,182	1,822,778

The notes on pages 24 to 45 form part of these financial statements

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

Grace Communion International is an incorporated Charity registered with the Charity Commission for England and Wales registration number 311098, and with OSCR in Scotland registration number SC040008. The Company is registered in the UK, registration number 00654913.

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

Grace Communion International meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Charity's functional and presentational currency is British Pound Sterling (£) and is rounded to the nearest pound (£).

The following principal accounting policies have been applied.

1.2 Company status

The Charity is a company limited by guarantee. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £7 per member of the Charity.

The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are included in the Trustees Report on page 3.

1.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Collections and donations are accounted for when they are received.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.3 Income (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Direct costs are related support costs associated with preaching, pastoral care and the production and distribution of Charity literature. These are separately disclosed in the Statement of Financial Activities as Charitable Activities.

Governance costs are those incurred in connection with administration of the Charitable Company and compliance with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Historically the Charity has taught the principle of tithing (which is the donation of ten percent of one's net income for the Charity's unrestricted use). Most of the Charity revenue consists of such unrestricted donations. Donations are used for the publishing of Charity literature, assistance for members who are more in need, operating expenses of the annual Church festivals, ministerial activities and maintenance of buildings, as seems appropriate as seems in line with our charitable purposes. Restricted funds comprise amounts donated for specific objectives. They are expended in furtherance of certain aspects of the Charity. In the Trustees' opinion, at 31 December 2022, all donations received for specific purposes had been expended in accordance with, and in furtherance of, their intended purposes with the exception of of the restricted funds not yet utilised as detailed in note 16.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This consideration has taken into account the expected impact of the current economic environment on the Charity, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)

1.10 Tangible fixed assets and depreciation (continued)

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold buildings	- 4% on a straight-line basis
Motor vehicles	- 25% on a straight-line basis
Fixture and fittings	- 10% and 20% on a straight-line basis

Freehold land is not depreciated.

Profit on disposal of fixed assets are included in net expenditure for the year.

1.11 Investments

Investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. The Statement of Financial Activities includes the unrealised and realised gains and losses arising on revaluations and disposals throughout the year.

Investments held as fixed assets are shown at fair value.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors and provisions

Creditors and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting policies (continued)

1.15 Pensions

Defined Contribution

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

Defined Benefit

The Charity operates a defined benefit, fully insured pension scheme administered externally and the pension charge is based on a full actuarial valuation dated 31 March 2023 for the year ended 31 December 2022.

The scheme was closed to new entrants from 31 December 2002. Payments made to the funds are charged annually in these financial statements. The funds are actuarially valued on a regular basis by a qualified actuary, the rates of contributions payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates.

The amount charged to the Statement of Financial Activities is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations to the cost.

Any difference between amounts charged to the Statement of Financial Activities and contributions paid to the independent pension scheme is shown as a liability or asset at the balance sheet date. Further information on pension costs is shown in note 20.

A pension scheme asset is recognised in the Balance Sheet under FRS 102 to the extent that the Charity is able to recover the surplus through refunds or through a reduction in future contributions to the scheme.

1.16 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.17 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

1) Defined benefit pension schemes valuation

The FRS 102 valuation for the Charitable Company's Defined Benefit Pension Schemes is recognised in the Balance Sheet as an asset. This is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. This is sensitive to change in the assumptions made by the actuaries who have been appointed to value the schemes. See note 20 for the assumptions made for the pension commitments, and note 1.15 for the pensions accounting policies.

2) Depreciation of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 12 for the carrying amount of the tangible fixed assets and note 1.10 for the useful economic lives for each class of assets.

2. Donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	473,411	473,411
Legacies	33,148	33,148
Gift aid	63,752	63,752
Total 2022	570,311	570,311

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Donations and legacies (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	506,292	506,292
Legacies	15,253	15,253
Gift aid	76,084	76,084
Total 2021	<u>597,629</u>	<u>597,629</u>

3. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Investment income	9,985	9,985
Pension income (note 11)	7,000	7,000
Total 2022	<u>16,985</u>	<u>16,985</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	30,750	30,750
Pension income (note 11)	4,000	4,000
Total 2021	<u>34,750</u>	<u>34,750</u>

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Other incoming resources

There were £Nil incoming resources during 2022.

	Unrestricted funds 2021 £	Total funds 2021 £
Other income	225	225

5. Charitable activities

	Unrestricted funds 2022 £	Total 2022 £
Mileage and travel	85,465	85,465
Insurance	7,181	7,181
Other expenses	44,644	44,644
General assistance	18,029	18,029
Depreciation	18,465	18,465
Summer Educational Programme	50,303	50,303
Hall hire and rent	66,027	66,027
Field conferences	19,164	19,164
Profit on disposal	6,257	6,257
Wages and salaries	242,271	242,271
National insurance	25,225	25,225
Pension cost	181,755	181,755
Young Peoples Ministry, website expenses and professional development	21,068	21,068
Total 2022	785,854	785,854

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Charitable activities (continued)

	Unrestricted funds 2021 £	Total 2021 £
Mileage and travel	41,261	41,261
Insurance	6,591	6,591
Other expenses	67,410	67,410
General assistance	16,150	16,150
Depreciation	20,176	20,176
Summer Educational Programme	10,395	10,395
Hall hire and rent	39,373	39,373
Field conferences	3,499	3,499
Profit on disposal	9,039	9,039
Wages and salaries	230,014	230,014
National insurance	21,225	21,225
Pension cost	111,446	111,446
Young Peoples Ministry, website expenses and professional development	19,476	19,476
Total 2021	<u>596,055</u>	<u>596,055</u>

6. Governance costs

	Unrestricted funds 2022 £	Total funds 2022 £
Auditors' remuneration	14,190	14,190
Professional fees	50,028	50,028
Board expenses	4,335	4,335
Total 2022	<u>68,553</u>	<u>68,553</u>

GRACE COMMUNION INTERNATIONAL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Governance costs (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Auditors' remuneration	16,150	16,150
Professional fees	39,158	39,158
Board expenses	4,748	4,748
Total 2021	<u>60,056</u>	<u>60,056</u>

7. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	19,806	20,176
Operating lease rentals	270	1,330
	<u>19,806</u>	<u>20,176</u>

8. Auditors' remuneration

The Auditor's remuneration comprises audit fees of £14,190 (2021: £16,150) and fees for other non-audit services of £3,310 (2021: £3,730). This includes fees for the Charity and its pension scheme.

9. Staff costs

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	242,271	230,014
Employers national insurance	25,225	21,225
Pension costs (note 20)	181,755	(81,083)
Provision for GMP equalisation (note 20)	-	192,529
	<u>449,251</u>	<u>362,685</u>

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2022 No.	2021 No.
Persons employed	5	6
Stipendiary persons employed	7	7
	<u>12</u>	<u>13</u>

No employee received remuneration amounting to more than £60,000 in either year.

The Key Management Personnel of the Charity are deemed to be those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the Charity. The Key Management Personnel of the Charity comprise the National Ministry Team. The total employee benefits of the Key Management Personnel of the Charity (including employer national insurance and employer pension) amounted to £202,716 (2021: £157,294).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021: £Nil).

During the year ended 31 December 2022, expenses totalling £4,326 were reimbursed or paid directly to 8 Trustees in respect of training, travel and subsistence (2021: £3,089 to 8 Trustees in respect of travel and subsistence).

Other related party transactions involving the Trustees are set out in note 22.

11. Pension finance income

	2022 £	2021 £
Interest income on pension scheme assets	176,000	129,000
Interest on pension scheme liabilities	(169,000)	(125,000)
	<u>7,000</u>	<u>4,000</u>

GRACE COMMUNION INTERNATIONAL**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2022	359,256	4,714	243,742	607,712
Additions	-	-	2,906	2,906
At 31 December 2022	<u>359,256</u>	<u>4,714</u>	<u>246,648</u>	<u>610,618</u>
Depreciation				
At 1 January 2022	203,373	4,714	219,131	427,218
Charge for the year	11,597	-	6,868	18,465
At 31 December 2022	<u>214,970</u>	<u>4,714</u>	<u>225,999</u>	<u>445,683</u>
Net book value				
At 31 December 2022	<u>144,286</u>	<u>-</u>	<u>20,649</u>	<u>164,935</u>
At 31 December 2021	<u>155,883</u>	<u>-</u>	<u>24,611</u>	<u>180,494</u>

Freehold land and buildings includes freehold land, the value of which is estimated by the Trustees as being £69,324 (2021: £69,324), which has not been depreciated.

The most recent valuation on 12 July 2022 indicated that the value of the property is £305,000.

GRACE COMMUNION INTERNATIONAL**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	611,228
Additions	1,100,000
Revaluations	(47,814)
At 31 December 2022	<u>1,663,414</u>

The investments are invested in a number of investment funds including Clerical Medical Bonds, Canada Life Bonds, Newton Growth Fund, Epworth Cash Plus Fund and CCLA COIF Charities Ethical Investment Fund.

14. Debtors

	2022 £	2021 £
VAT repayable	6,070	351
Other debtors	17,831	16,452
Prepayments and accrued income	25,168	28,826
	<u>49,069</u>	<u>45,629</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	300	14,862
Other taxation and social security	33,099	35,487
Other creditors	10,786	10,414
Accruals	50,888	29,914
	<u>95,073</u>	<u>90,677</u>

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Prior year adjustments

In accordance with FRS 102, the net pension asset in relation to the defined benefit pension scheme can only be recognised in the financial statements where an unconditional right to a refund exists, or to the extent that the Charity is benefiting from a reduction in the estimated future costs for the remaining active members of the scheme. The Charity has therefore derecognised the defined benefit pension scheme asset that was previously recognised. The accounts have been restated for the reduction in the pension reserve at 31 December 2021 by £195,471. The opening pension reserves at 1 January 2021 has been reduced by £284,000 and movement in the pension scheme asset has resulted in a reduction of £88,529 in pension costs which is recognised in the Statement of Financial Activities

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Resources expended £	Gains/ (losses) £	Balance at 31 December 2022 £
Unrestricted funds					
Charitable fund	2,555,913	580,296	(731,407)	(47,814)	2,356,988
Pension reserve (note 20)	-	7,000	(123,000)	116,000	-
	<u>2,555,913</u>	<u>587,296</u>	<u>(854,407)</u>	<u>68,186</u>	<u>2,356,988</u>
Restricted funds					
Restricted building fund	12,539	-	-	-	12,539
Restricted Africa fund	1,000	-	-	-	1,000
	<u>13,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,539</u>
Total of funds	<u><u>2,569,452</u></u>	<u><u>587,296</u></u>	<u><u>(854,407)</u></u>	<u><u>68,186</u></u>	<u><u>2,370,527</u></u>

Unrestricted funds

Charitable funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

Restricted funds

The restricted building fund represents the balance of unspent funds received towards property related expenditure.

The restricted Africa fund is funded by the Estate of I King and is to be used for work in Africa.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Resources expended £	Gains/ (losses) £	As restated balance at 31 December 2021 £
Unrestricted funds					
Charitable fund	2,390,263	628,604	(552,111)	89,157	2,555,913
Pension reserve (note 20)	-	4,000	(104,000)	100,000	-
	<u>2,390,263</u>	<u>632,604</u>	<u>(656,111)</u>	<u>189,157</u>	<u>2,555,913</u>
Restricted funds					
Restricted building fund	12,539	-	-	-	12,539
Restricted Africa fund	1,000	-	-	-	1,000
	<u>13,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,539</u>
Total of funds	<u><u>2,403,802</u></u>	<u><u>632,604</u></u>	<u><u>(656,111)</u></u>	<u><u>189,157</u></u>	<u><u>2,569,452</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	164,935	164,935
Fixed asset investments	-	1,663,414	1,663,414
Current assets	13,539	623,712	637,251
Current liabilities	-	(95,073)	(95,073)
Total	<u><u>13,539</u></u>	<u><u>2,356,988</u></u>	<u><u>2,370,527</u></u>

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Restated unrestricted funds 2021 £	Restated total funds 2021 £
Tangible fixed assets	-	180,494	180,494
Fixed asset investments	-	611,228	611,228
Current assets	13,539	1,854,868	1,868,407
Current liabilities	-	(90,677)	(90,677)
Total	<u>13,539</u>	<u>2,555,913</u>	<u>2,569,452</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	As restated 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(314,925)</u>	<u>65,650</u>
Adjustments for:		
Depreciation charges (note 12)	18,465	20,176
Losses/(gains) on investments (note 13)	47,814	(89,157)
Interest and rents from investments (note 3)	(9,985)	(30,750)
Pension scheme finance income (note 11)	(7,000)	(4,000)
Decrease in net pension asset (note 21)	173,000	104,000
Pension scheme contributions by the employer (note 21)	<u>(50,000)</u>	<u>-</u>
(Increase)/decrease in debtors (note 14)	(3,440)	62,655
Increase in creditors (note 15)	4,396	30,492
Net cash (used in)/provided by operating activities	<u>(141,675)</u>	<u>159,066</u>

GRACE COMMUNION INTERNATIONAL**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	588,182	1,822,778
Total cash and cash equivalents	588,182	1,822,778

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,822,778	(1,234,596)	588,182
	1,822,778	(1,234,596)	588,182

21. Pension commitments**Defined contribution pension scheme**

The Charity is part of the NEST defined contribution pension scheme.

Contributions to the pension scheme recognised as an expense in the year was £8,555 (2021: £7,446).

Defined benefit group stakeholder pension scheme

The Charity operates a defined benefit group stakeholder pension scheme for its employees, which is funded.

The pension cost and asset for the year ending 31 December 2022 are based on the advice of a professionally qualified actuary. The most recent formal valuation is at 31 December 2022.

The scheme was closed to new entrants with effect from 31 December 2002.

The defined contribution asset is allocated to unrestricted funds.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022 %	2021 %
Discount rate	5.10	1.80
Future pension increases	2.60	2.90
Consumer price inflation	2.60	2.90
RPI inflation	3.50	3.80

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2022 Years	2021 Years
Mortality rates (in years)		
- for a male aged 65 now	22.3	21.2
- at 65 for a male aged 45 now	24.0	22.9
- for a female aged 65 now	25.4	23.2
- at 65 for a female aged 45 now	27.1	25.0

The Charity's share of the assets in the scheme was:

	Fair value at 31 December 2022 £	Fair value at 31 December 2021 £
Equities (including property)	1,268,000	1,402,000
Bonds	583,000	463,000
Insured pensions	5,931,000	7,390,000
Cash	269,000	210,000
Total fair value of assets	8,051,000	9,465,000

The actual return on scheme assets was £858,000 (2021: £174,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £	As restated 2021 £
Interest income	176,000	129,000
Interest cost	(169,000)	(125,000)
Provision for GMP equalisation	-	(192,529)
Movement in derecognition of scheme asset	(173,000)	88,529
Contribution by employer	50,000	-
Total amount recognised in the Statement of Financial Activities	(116,000)	(100,000)

GRACE COMMUNION INTERNATIONAL**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2022 £	2021 £
Opening defined benefit obligation	9,269,529	9,915,000
Provision for GMP equalisation	-	192,529
Interest cost	169,000	125,000
Actuarial gains	(1,150,000)	(403,000)
Benefits paid	(606,000)	(560,000)
Closing defined benefit obligation	7,682,529	9,269,529

Changes in the fair value of scheme assets were as follows:

	2022 £	2021 £
Opening fair value of scheme assets	9,465,000	10,199,000
Interest income	176,000	129,000
Actuarial losses	(1,034,000)	(303,000)
Benefits paid	(606,000)	(560,000)
Contributions by the employer	50,000	-
Closing fair value of scheme assets	8,051,000	9,465,000

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Pension commitments (continued)

Net Actuarial gains in the year amounted to £116,000 (2021: £100,000).

The Charity expects to contribute £24,900 to its Defined Benefit Pension Scheme in 2023.

Amounts for the current and previous year are as follows:

Defined benefit pension schemes

	2022 £	2021 £
Defined benefit obligation	(7,682,529)	(9,269,529)
Scheme assets	8,051,000	9,465,000
Surplus	368,471	195,471
Experience adjustments on scheme liabilities	1,150,000	403,000
Experience adjustments on scheme assets	(1,034,000)	(303,000)
	116,000	100,000

In accordance with FRS 102, net pension assets in relation to defined benefit pension scheme has only been recognised in these financial statements where an unconditional right to a refund exists, or to the extent that the Charity is benefiting from a reduction in the estimated future costs for the remaining active members of the scheme.

22. Operating lease commitments

At 31 December 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	-	270

23. Related party transactions

No related party transactions took place in the year ended 31 December 2022, other than those disclosed in note 10.

24. Controlling party

The Charity is ultimately controlled by the Board of Trustees.

GRACE COMMUNION INTERNATIONAL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Company limited by guarantee

The Charity is a Company limited by guarantee and does not have share capital.